

**Synergy North Corporation**

**EB-2024-0055**

**December 13, 2024**

**OEB Staff Questions**

Please note that Synergy North Corporation (Synergy North) is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff questions and any other supporting documentation, do not include personal information as that phrase is defined in the *Freedom of Information and Protection of Privacy Act* unless filed in accordance with rule 9A of the OEB's *Rules of Practice and Procedure*.

**1-Staff-1**

**Update to the 2025 Rate Generator Model**

**Ref 1: Kenora and Thunder Bay Rate Zones Rate Generator Model (RGM), Tabs 11, 17 and 18**

**Ref 2: Uniform Transmission Rates (UTRs) and Retail Transmission Service Rates (RTSR)**

**Ref 3: Rural or Remote Electricity Rate Protection (RRRP)**

**Ref 4: Bill Impacts and Time of Use Prices Set by the OEB for November 1, 2024**

**Ref 5: OEB Letter, "Review of Fixed Monthly Charge for microFIT Generator Service Classification", issued November 19, 2024**

In Reference 2, on November 1, 2024, the OEB announced preliminary Uniform Transmission Rates (UTRs) effective January 1, 2025. The OEB also announced that an embedded distributor may update its Retail Transmission Service Rates (RTSRs) with Hydro One Networks Inc.'s (HONI) proposed host RTSRs.

In Reference 3, on December 10, 2024, the OEB announced the regulatory charges effective 1 January 2025, for the Rural or Remote Electricity Rate Protection (RRRP) charge.

In Reference 4, the OEB announced changes to electricity prices under the Regulated Price Plan (RPP) for households, small businesses, and farms, effective November 1, 2024. Also, the Ontario Electricity Rebate (OER) was changed to 13.1%.

In Reference 5, the OEB issued a letter advising electricity distributors that the fixed microFIT charge shall be \$5.00 for the duration of the 2025 rate year.

OEB staff has updated Synergy North's Rate Generator Model with the 2025 preliminary UTRs, RTSRs for HONI, microFIT charge, OER, and RRRP.

**Table 1: Uniform Transmission Rates**

Uniform Transmission Rates	Unit	2023		2024		2025
		Jan to Jun	Jul to Dec	Jan to Jun	Jul to Dec	Rate
<b>Rate Description</b>		<b>Rate</b>		<b>Rate</b>		<b>Rate</b>
Network Service Rate	kW	\$ 5.60	\$ 5.37	\$ 5.78	\$ 6.12	\$ 6.25
Line Connection Service Rate	kW	\$ 0.92	\$ 0.88	\$ 0.95	\$ 0.95	\$ 1.00
Transformation Connection Service Rate	kW	\$ 3.10	\$ 2.98	\$ 3.21	\$ 3.21	\$ 3.39

**Table 2: Hydro One Sub-Transmission Rates**

Hydro One Sub-Transmission Rates	Unit	2023		2024		2025
		Rate	Rate	Rate	Rate	
Network Service Rate	kW	\$ 4.6545	\$ 4.9103	\$ 5.2712	\$ 5.2712	
Line Connection Service Rate	kW	\$ 0.6056	\$ 0.6537	\$ 0.6537	\$ 0.6537	
Transformation Connection Service Rate	kW	\$ 2.8924	\$ 3.3041	\$ 3.3041	\$ 3.3041	
Both Line and Transformation Connection Service Rate	kW	\$ 3.4980	\$ 3.9578	\$ 3.9578	\$ 3.9578	

**Table 3: microFIT Service Classification**

Rate Class	Current MFC	MFC Adjustment from R/C Model	Current Volumetric Charge	DVR Adjustment from R/C Model	Price Cap Index to be Applied to MFC and DVR	Proposed MFC	Proposed Volumetric Charge
RESIDENTIAL SERVICE CLASSIFICATION	34.28				3.30%	35.41	0.0000
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	39.47	-0.2600	0.0222	-0.0001	3.30%	40.50	0.0228
GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION	229.5		5.1505		3.30%	237.07	5.3205
GENERAL SERVICE 1,000 KW OR GREATER SERVICE CLASSIFICATION	3283.57		4.0163		3.30%	3,391.93	4.1488
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	11.87		0.0154		3.30%	12.26	0.0159
SENTINEL LIGHTING SERVICE CLASSIFICATION	11.02		8.8302		3.30%	11.38	9.1216
STREET LIGHTING SERVICE CLASSIFICATION	1.8	0.1700	9.3956	0.8743	3.30%	2.01	10.6088
microFIT SERVICE CLASSIFICATION	4.55					5.00	

**Table 4: Rural or Remote Electricity Rate Protection Charge and Ontario Electricity Rebate**

Regulatory Charges			
Effective Date of Regulatory Charges		January 1, 2024	January 1, 2025
Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	0.0015
Standard Supply Service - Administrative Charge (if applicable)	\$/kWh	0.25	0.25

**Ontario Electricity Rebate (OER)**

Ontario Electricity Rebate (OER)	\$	13.10%
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**Question(s):**

Please confirm the accuracy of these updates in the attached Rate Generator Models and ensure that all tabs are updated accordingly.

**SNC Response:**

SYNERGY NORTH confirms the accuracy of the above noted updates for 2025, as provided by the OEB, in all Rate Generator Models.

(Note: OEB's Table 2 above indicates a rate of \$5.2712 for the HOne Sub-Transmission Rate for Network Service, where EB-2024-0244 indicates a rate of \$5.2172. SYNERGY NORTH verifies that all models have the correct rate of \$5.2172.)

**1-Staff-2**

**Threshold Test**

**Ref: Manager's Summary, pp. 17-18**

Synergy North requested the disposition of its Group 1 balances in the Kenora and Thunder Bay rate zones. OEB staff notes that Synergy North calculated its Threshold Test in the Thunder Bay and Kenora rate zones to be \$0.0002, and \$0.0005, respectively, which do not meet the Threshold Test.

**Question(s):**

- a) Please explain the reasoning for requesting the disposition of Group 1 balances despite not meeting the Threshold Test for the Group 1 balances in the Thunder Bay and Kenora rate zones.

**SNC Response:**

SYNERGY NORTH acknowledges that the Threshold Test for disposal of Group 1 balances was not met in either zone.

Group 1 balances are being requested for disposal by zone in this application to ensure balances that accumulated in these accounts, based on "pre-harmonized" rates (rates before May 1, 2024), are disposed of to/from customers in the correct zone.

As an example, in the May 1, 2023 (EB-2022-0063) Tariff of Rates and Charges, the Network Service Rate for residential customers in Kenora was \$.0104/kWh. The Network Service Rate for Thunder Bay residential customers was \$.0092/kWh. As such, each zone's balances in Group 1 accounts have accumulated based on zonal rates, and those balances must be disposed of to the correct zonal customers. This will ensure rate riders for disposal of accounts that accumulated in each zone are applied to customers in the correct zone.

Balances accumulating in Group 1 accounts beginning May 1, 2024 are based on fully harmonized rates, and will be disposed to all customers, regardless of zone, in the 2026 IRM.

### **1-Staff-3**

#### **Input Error**

#### **Ref: Manager's Summary p. 18**

In the above reference, Synergy North noted that balances as of December 31, 2023, agree with those filed with the year-end 2023 balances reported on the 2.1.7 Regulatory Record-keeping Requirement (RRR) filed April 30, 2024, with the exception of the WMS Variance CBR amount being reallocated from the WMS Account, and an input error in the table for Group 1 accounts by zone in the RRR for the carrying charges on Account 1588. Synergy North states that a revision to the RRR is not requested, as the input error is not material, is in an informational table only, and has no impact on the totals filed in the RRR.

#### **Question(s):**

- a) Please explain how Synergy North identified the error in reference and explain the nature of the error.
- b) Please confirm if the error pertains to 2023 and if it will impact any other prior years.

#### **SNC Response:**

- a) SYNERGY NORTH noted the error in the 2023 RRR when preparing the IRM Models; verifying the data from the RRR matched the data in the IRM models as at December 31, 2023.

The error was an input error in the 2023 RRR filing, Table "Group 1 Accounts by Rate Zone" for the Kenora zone. This table is an informational table only in the RRR, the balance reported in the table does not populate any other area of the RRR. For clarity, the balances reported in the 2023 2.1.7 Group Accounts Main Table are correct as filed. The error relates only to the data in the informational table.

- b) SYNERGY NORTH confirms that the error pertains only to the 2023 RRR "Informational Table" and does not impact any other years.

### **1-Staff-4**

#### **Current Tariff Schedule**

**Ref: Rate Generator Model, Tabs 2 and 3 Kenora Rate Zone IRM Model**

Electricity distributors are expected to confirm if they identify discrepancies in the approved Tariff sheet. Similarly, the Tab 4 checkbox (top of the worksheet) relating to distributor validation of volumetric data is expected to be checked in the filed Rate Generator Model.

OEB staff notes that Synergy North selected “No” from the dropdown of the Kenora rate zone Tariff sheet (Tab 2) and no selection was made on Tab 4.

**Table 5: Confirmation of the accuracy of the Kenora Rate Zone’s current Tariff Sheet**

<b>Below is your 2024 OEB-approved Tariff of Rates and Charges. Please review to ensure accuracy. OEB Staff may have made changes to the rate class description and/or rate description to ensure consistency across all LDCs.</b>		
<b>If you have identified any discrepancies between this sheet and your approved tariff of rates and charges, please contact the OEB.</b>		
<b>Have you confirmed the accuracy of the tariff sheet below?</b>		
<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Table 6: Confirmation of the accuracy of the Kenora Rate Zone’s Tab 4 Data**

<b>Data on this worksheet has been populated using your most recent RRR filing.</b>
<b>If you have identified any issues, please contact the OEB.</b>
<b>Have you confirmed the accuracy of the data below?</b>
<input checked="" type="checkbox"/>
<b>If a distributor uses the actual GA price to bill non-RPP Class B customers for an entire rate class, it must exclude these customers from the allocation of the GA balance and the calculation of the resulting rate riders. These rate classes are not to be charged/refunded the general GA rate rider as they did not contribute to the GA balance.</b>
<b>Please contact the OEB to make adjustments to the IRM rate generator for this situation.</b>

**Question(s):**

- a) Please provide reasoning for selecting “No” on Tab 2, and the reason for not making any selection on Tab 4.
- b) Please explain if you identified any discrepancies between the filed Tariff sheet and your approved Tariff of rates. If not, please confirm the accuracy of the Tariff sheet on Tab 2 for the Kenora rate zone.

c) Please confirm the accuracy of the filed data on Tab 4.

**SNC Response:**

- a) SYNERGY NORTH confirms the response on Tab 2 should be “Yes”. The Models have been updated with “Yes”. This was an oversight.
- b) SYNERGY NORTH confirms that there are no discrepancies between the filed Tariff sheet and approved Tariff of rates. Tab 2 has been updated. This was an oversight.
- c) SYNERGY NORTH confirms the accuracy of the data on Tab 4.

**1-Staff-5**

**Continuity Schedule**

**Ref 1: Rate Generator Model (RGM), Tab 3**

On September 13, 2024, the OEB published the 2024 Quarter 4 (Q4) prescribed accounting interest rates applicable to the carrying charges of deferral, variance, and construction work in progress (CWIP) accounts of natural gas utilities, electricity distributors, and other rate-regulated entities.

**Question(s):**

- a) Please confirm if Tab 3 (Continuity Schedule) accounts for the Q4 prescribed interest rate for all Rate Generator Models. If not, please reflect the Q4 2024 OEB-prescribed interest rate of 4.40% in Tab 3, as appropriate.

**SNC Response:**

- a) SYNERGY NORTH confirms that Tab 3 Continuity Schedule has been populated with carrying charges using the Q4 prescribed OEB rate of 4.40% for 2025 interest projections, for all models.